



Florida House of Representatives

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PROMISES MADE, PROMISES KEPT

Speaker Feeney Concludes Dynamic First Week of Session

TALLAHASSEE – Yesterday, Speaker Tom Feeney banged the gavel concluding the House's bold first week of the 2001 Legislative Session. Passing a record thirty-two bills in the opening week, Speaker Feeney and the Florida House were able to fulfill campaign pledges of increasing parental empowerment in education, return tax dollars to taxpayers, and holding third party political committees accountable for their role in the process.

Among these bills, some major substantive public policy was accomplished in House Bills 21, 55, 269, 271, 273, 277, and 279.

"The Florida House of Representatives delivered a strong message this week reiterating the deep investment we have in the state education system. Our members worked diligently to design legislation that offers a new level of parental choice, options for our poor and middle class students, and a method to ensure that education funding is used in the most efficient and effective ways possible. The House also fulfilled its' pledge to make Florida's education system a priority by passing bills that encourage our students to meet education participation requirements, and recognize the growing difficulties that teachers face daily," stated **Speaker Feeney (R-Oviedo)**.

Four education bills passed the House during the opening week of the 2001 Legislative Session. Titles and Major Components of the Bills Include:

- **HB 269 “Sharpening the Pencil Act” by Representative Sandy Murman (R-56)**
Combines two existing school district review programs into a single program. The best financial management practice reviews are in-depth projects that involve reviewing district operations at the individual program level. The purpose of combining the review is to improve the use of resources and identify cost savings.
 - The bill establishes a five-year cycle during which all school districts will be reviewed.
 - Once a district has been reviewed, a report is issued providing the district an action plan on how to conform to the best practices.
 - The district school board must vote on whether to implement the action plan.
 - If the district successfully implements the best financial management practices within two years, it will receive a “Seal of Best Financial Management” from the State Board of Education.
 - If a school board fails to vote whether to adopt an action plan for implementation or fails to implement the action plan after voting to implement, any resident of the school district may submit a written appeal to the Commissioner of Education.
 - These reviews are to be fully funded by the Legislature, at an estimated cost of just over *4.1 million per year*. Districts will no longer contribute part of the estimated cost.
- **HB 271 “Corporate Income Tax Credit” by Representative Joe Negron (R-82)**
Creates a dollar for dollar corporate income tax credit for monetary donations to a nonprofit scholarship funding organization that is established to provide scholarships to students from lower income families.
 - This corporate tax credit must not exceed 75% of the balance of taxes due after all other credits have been applied.
 - From corporate contributions, an eligible nonprofit scholarship funding organization must provide scholarships to eligible students in order to cover certain educational expenses.

(Corporate Income Tax Credit Bill, Cont')

- CS/HB 271 specifies that scholarships provided to a student by all eligible nonprofit scholarship funding organizations must not exceed the following amounts:
 - * \$4,000 to students enrolled in nonpublic schools located in Florida that offer a general education to K-12 students and comply with federal anti-discrimination provisions.
 - * \$1,000 to students enrolled in eligible home education programs as defined in law; and
 - * \$500 to students enrolled in Florida public schools that are located outside the district in which the students reside.
- CS/HB 271 also specifies the following expenses that can be covered by the scholarships:
 - * A student enrolled in an eligible nonpublic school can use the scholarships in order to cover any expenses, including but not limited to tuition, textbook, and transportation expenses.
 - * A student enrolled in a home education program can use the scholarships in order to cover instructional expenses, and
 - * A student enrolled in a Florida public school that is located outside the district in which the student resides can use the scholarships in order to cover transportation expenses.

Additionally, CS/HB 271 specifies that funding for the corporate tax credit must be established annually in the General Appropriations Act.

Based on the provisions of the bill, every public school student who receives a scholarship and attends a nonpublic school or a home education program is likely to reduce public school operating costs due to the difference between the scholarship amounts and the average cost of providing public school education.

HB 277 “Learnfare Program” by Representative Jeff Atwater (R-83)

In 1993, the Legislature created the Learnfare Program, requiring the Department of Children & Families to reduce the temporary cash assistance for a participant’s eligible dependent child or for an eligible teenage participant that displays a pattern of habitual truancy.

- The cash assistance that is reduced must be reinstated after a subsequent grading period in which the child’s attendance has substantially improved.
- Statutory provisions relating to the Learnfare Program require that each participant with a school-aged child attend a conference with a school official each semester to discuss his or her child’s attendance and behavioral and academic progress.
- During the last three school years, an annual average of 1,470 recipients received sanctions under the Learnfare Program.
- Through two different pieces of legislation, the 2000 Legislature repealed and then amended the statute relating to the Learnfare Program.
- Presently, provisions relating to the Learnfare Program are still in statute; however, the statutory provisions include a footnote that indicates the provisions were repealed.
- CS/HB 277 reestablishes the Learnfare Program in a different section of statute and repeals the current section of statute relating to the program.
- Additionally, CS/HB 277 adds a new provision to the Learnfare Program that reduces the temporary cash assistance for a participant’s eligible dependent child or for an eligible teenage participant that is a dropout.
- CS/HB 277 also directs school boards to encourage teachers and administrators to keep parents and guardians informed of student attendance requirements pursuant to law.
- Lastly, CS/HB 277 requires the Department of Children & Families to develop an electronic data transfer system that will collect, report, and share data and information relating to the program.

HB 279 “The Barry Grunow Act” by Representative Evelyn Lynn (R-27)

Barry Grunow was a Lake Worth Middle School teacher who was killed by a student just outside his classroom, on last day of school, last year (May 26, 2000). The purpose of the Act is to provide benefits for any teacher or school-based administrator who is killed while they are performing their duties.

Provides 4 benefits:

- * \$75,000 lump sum payment
 - * \$1,000 lump sum payment for funeral expenses
 - * Continued payment of health care premiums for spouse and dependent children. These premium payments will continue for the spouse until remarriage, and for dependent children until age 25.
 - * Waiver of tuition costs for dependent children
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- All the benefits are provided to all instructional personnel who are killed while they are performing their teaching duties as a teacher or if the motivation is because they are a teacher.
 - All of the benefits are retroactive to May 26, 2000.
 - Funding for the benefits will be provided in the GAA. (*Governor has \$165,000 in his recommendations.*)
 - The bill also requires reimbursement to the Education Foundation that has already paid some of the benefits to the Grunow family

“Along with reaffirming the House’s commitment to education, we were able to ease the burden on taxpayers and continue our dedication to limited government. The last several years, the Florida House promised to phase out the flawed and burdensome Intangible Property Tax, and this week we delivered on that promise. In addition to the relief we provided to our seniors and savers, we were also able to take further steps towards reducing the Public Medical Assistance Trust Fund Tax, and continue our record of returning tax dollars to the tax payers,” **said Feeney.**

Two tax cut bills passed the House in the opening week of the 2001 Legislative Session. Title and major components of the bill include:

HB 21 “The Intangible Property Tax Bill” by Representative Mike Fasano (R-45)

The Intangible Tax cut is the third step of the four-year phase-out. The amended House version of the bill reduces the tax rate from one mill to 0.75 mills. It also increases the exemption from 20,000 (individuals) and \$40,000 (joint filers) to \$250,000 and \$500,000, respectively.

(The Intangible Property Tax Bill Cont')

- The increased exemption will completely remove approximately 600,000 individuals and 120,000 businesses from the Intangible tax rolls.
- It allows seniors and savers in our state to reinvest \$222 million in Florida's economy.
- The Intangible Tax disproportionately affects the elder population. Official state figures show that 72% of non-business filers are Senior citizens.
- In addition, this tax is fundamentally flawed. All economists agree that saving and investment encourages economic growth, but our current tax code imposes a tax on this behavior. It is wise for seniors and Floridians to save and invest; it is unwise for the state to tax it.

HB 55 "The Public Medical Assistance Trust Fund Tax" by Representative Mike Fasano

The Legislature began the repeal of the Public Medical Assistance Trust Fund tax last year. The PMATF tax is selectively applied, which results in an unfair burden to certain health care providers.

- This tax reduction continues the elimination of an unfair tax that burdens Florida's health care providers in their effort to provide affordable, quality care.
- This year will be the second of the 3-year phase-out of this inequitable tax. The assessment on net operating revenues from hospital outpatient services will be reduced from 1.0 percent to 0.5 percent. The tax on net operating revenues of ambulatory surgical centers, diagnostic imaging centers, and clinical laboratories will also be halved.
- The Legislature will appropriate the necessary dollars to replace lost revenues from this tax reduction, because the PMATF receives federal matching dollars for the state's Medicaid program.

"In addition to making good on the promises the Florida House made regarding our commitment to education and tax relief, we also pledged to create legislation that would hold third party committees liable for their role in the political process. It is especially important to me to produce good public policy that takes the mystery out of the way political committees report. This renews the public's trust in Florida's elections," said **Feeney (R-Oviedo)**.

HB 273 “Election Code / Reporting Requirements” by Representative Ross (R-63)

- This bill modifies the statutory definition of “political committee” in response to a federal court ruling that held the current definition unconstitutional.
- This bill expands the registration and reporting requirements for political committees and committees of continuous existence by requiring the inclusion of the name of the principle employer of every officer of one of these groups. Further, it closes the loophole that allows committees of continuous existence to skirt disclosure of contributions disguised as membership dues.
- This bill provides for mandatory electronic filing of campaign treasurer reports for any candidate, committee or political party that receives contributions or makes expenditures in excess of \$10,000 in a calendar year. These reports will be due by 5 p.m. on the due date. This information would be available for the public to review on the Division of Election’s Internet web site in a timely and meaningful manner.
- The bill also shortens the current quarterly and bi-weekly reporting periods for political committees and CCE’s by requiring monthly reports in lieu of quarterly reports, and weekly reports in lieu of bi-weekly reports during the election cycle.
- Finally, this bill addresses the problem of third-party stealth groups who engage in campaign advertisement guised as pure “issue advocacy” groups.
- To avoid regulating groups that truly are just issue advocacy organizations, the bill has 7 specific requirements that would have to be met before a group would be regulated under this new provision:
 1. The provision applies to profit organizations, and nonprofit organizations including those recognized under ss. 501(c)(3), 501(c)(6), or political organizations recognized under s. 527 of the Internal Revenue Code.
 2. The advertisement has to substantially mention or show a clearly identifiable candidate for election or reelection;
 3. The advertisement is distributed after the last day of qualifying for that candidacy through the ensuing election;
 4. The advertisement is distributed within the geographic location represented by the office sought for that candidacy;
 5. The advertisement when examined by a reasonable person would be understood to be a communication made for the purpose of influencing the results of the election on that candidacy during that period;
 6. The aggregate expenditure must exceed \$1,000; and lastly,
 7. The provision creates a rebuttable presumption – not a hard and fast rule.
- Organizations meeting these specific requirements would be required to register and file contribution and expenditure reports much like candidates are currently required. Additionally, the advertisement is required to contain a disclaimer.

The Florida House of Representatives will reconvene on Wednesday, March 21, 2001.

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